

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-10 LAB-04
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-----111426 280208Z /15
R 271933Z JUL 78
FM AMEMBASSY SAN SALVADOR
TO SECSTATE WASHDC 9013
INFO AMEMBASSU GUATEMALA
AMEMBASSY TEGUCIGALPA

LIMITED OFFICIAL USE SECTION 1 OF 2 SAN SALVADOR 3885

GUATEMALA FOR IESCA (AL WARREN); STATE ALSO FOR LA/MRSD (GEORGE PHILLIPS)

E.O. 11652: N/A
TAGS: ELAB, SHUM, PROGV, ES
SUBJ: VISIT OF ARA LABOR ADVISOR JOHN O'GRADY

REF: STATE 162964

SUMMARY. ON JULY 18-21 VISIT TO EL SALVADOR, ARA LABOR ADVISOR JOHN O'GRADY MET WITH GOES AND LABOR UNION OFFICIALS AS WELL AS WITH EMBOFFS AND OFFICIALS OF THE UNION COMUNAL SALVADORENA (UCS). DISCUSSIONS DURING HIS TRIP MOSTLY REVOLVED AROUND AIFLD'S EFFORTS TO EXTEND FURTHER AID THE THE UCS AND TO PERHAPS REOPEN AN OFFICE IN EL SALVADOR. O'GRADY HAD A CHFENCE TO LISTEN TO PERSONS REPRESENTING BOTH SIDES ON THESE QUESTIONS AND IN HIS TALKS WITH EMBOFFS, MADE SEVERAL SUGGESTIONS ON THESE ISSUES. END SUMMARY.

1. DURING JULY 18-21 VISIT TO EL SALVADOR, ARA LABOR ADVISOR JOHN O'GRADY MET WITH PRESIDENT OF THE SUPREME COURT, MINISTER OF LABOR, SUBSECRETARY OF LABOR, SECRETARY-GENERAL OF THE UCS, SECRETARY-GENERAL OF
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THE FEDERATION OF CONSTRUCTION AND TRANSPORTATION WORKERS (FESINCONSTRANS), AND OTHER LABOR UNION OFFICIALS. HE ALSO TALKED WITH AMBASSADOR, DCM, POLITICAL OFFICER, AND LABOR OFFICER ON CURRENT PROBLEMS IN EL SALVADOR. ON JULY 18, DCM HOSTED A RECEPTION IN HONOR OF O'GRADY AND AFL-CIO GROUP CONCURRENTLY VISITING EL SALVADOR (SAN SALVADOR 3816). IN ATTENDANCE WERE MINISTER OF AGRICULTURE,

REPRESENTATIVES OF MINISTER OF LABOR, LEADERS OF UCS, LABOR UNION REPRESENTATIVES, AND OTHERS INTERESTED IN LABOR AND ECONOMIC SITUATION IN EL SALVADOR.

2. IN MORNING MEETING ON JULY 19 WITH MINISTER OF LABOR COL. ROBERTO ESCOBAR GARCIA AND SUBSECRETARY OF LABOR DR. RENE IVAN CASTRO, AT WHICH POLITICAL OFFICER AND LABOR OFFICER WERE ALSO PRESENT, O'GRADY MADE CLEAR THAT HIS VISIT TO EL SALVADOR HAD NOTHING TO DO WITH CONCURRENT VISIT OF AFL-CIO GROUP. O'GRADY ALSO POINTED OUT THAT CABLE THAT AFL-CIO PRESIDENT GEORGE MEANY HAD SENT TO PRESIDENT ROMERO CONCERNING THE UCS (SAN SALVADOR 3569) HAD BEEN SENT WITHOUT STATE DEPARTMENT CLEARANCE. CONVERSATION CONSISTED OF MATTERS RELATING TO UCS AND THE EFFORTS OF THE AMERICAN INSTITUTE FOR FREE LABOR DEVELOPMENT (AIFLD) TO REENTER EL SALVADOR. MEMCON WAS POUCHED TO DEPART-
MENT JULY 27.

3. DURING AFTERNOON OF JULY 19, AFTER A LUNCHEON AT AMBASSADOR'S RESIDENCE, O'GRADY HAD A TWO-HOUR MEETING IN THE EMBASSY WITH SECRETARY-GENERAL VIERA AND THREE OTHER MEMBERS OF THE UCS' NATIONAL EXECUTIVE COUNCIL (CEN). DURING MORNING OF JULY 20, O'GRADY (ACCOMPANIED BY LABOR OFFICER) HAD A TWO-HOUR MEETING AT HEADQUARTERS OF FESINCONSTRANS WITH SECRETARY-GENERAL FELIPE ZALDIVAR AND MEMBERS OF THAT LABOR FEDERATION'S EXECUTIVE
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BOARD. O'GRADY WAS IMPRESSED WITH ZALDIVAR'S PRESENTATION OF FESINCONSTRANS' SHORT-TERM AND LONG-TERM PROJECTS (INCLUDING A HOUSING PROJECT AND THE POSSIBLE ACQUISITION OF A RADIO STATION) AND ALSO THE FACT THAT THE LABOR FEDERATION'S ADMINISTRATIVE STRUCTURE APPEARED SOLID, BASED AS IT IS ON ITS MEMBERS PAYING A FIXED PERCENTAGE (3 PERCENT) OF THEIR SALARIES IN UNION DUES. O'GRADY TERMED FESINCONSTRANS (WHICH HAS, ACCORDING TO ZALDIVAR, APPROXIMATELY 34,000 MEMBERS) AN "OASIS IN THE DESERT" OF THE GENERAL LABOR SITUATION PREVAILING IN CENTRAL AMERICA.

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ACTION ARA-14

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FM AMEMBASSY SAN SALVADOR

TO SECSTATE WASHDC 9014

INFO AMEMBASSY GUATEMALA

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GUATEMALA FOR IESCA (AL WARREN); STATE ALSO FOR LA/MRSD (GEORGE PHILLIPS)

4. AT A JULY 20 LUNCHEON HOSTED BY POLITICAL OFFICER AND ATTENDED BY PRESIDENT OF THE SUPREME COURT (AND EX-MINISTER OF LABOR) DR. ROGELIO CHAVEZ, MINISTER OF LABOR ROBERTO ESCOBAR GARCIA, AND LABOR OFFICER, O'GRADY HAD A FURTHER CHANCE TO DISCUSS AIFLD'S ATTEMPTS TO RENDER FURTHER ASSISTANCE TO THE UCS AND PERHAPS REOPEN AN OFFICE IN EL SALVADOR. CHAVEZ, WHO WAS MINISTER OF LABOR WHEN AIFLD WAS EXPELLED FROM EL SALVADOR IN 1973, ALLEGED THAT AT THAT TIME AIFLD EMPLOYEES SUCH AS HAUPTMANN (A URUGUAYAN) AND ELIO ORNA (A PERUVIAN) HAD ENGAGED IN AGITATION AND OTHER PROPAGANDA ACTIVITIES IN THE COUNTRYSIDE WHILE WORKING ON UCS MATTERS. AS ON OTHER OCCASIONS, HE EMPHASIZED THAT THE GOES WOULD NOT PERMIT THE RECURRENCE OF SUCH ACTIVITIES ON THE PART OF AIFLD.

5. ESCOABR ALLEGED THAT AS MINISTER OF AGRICULTURE FROM 1975-1977, HE HAD OFTEN ENCOUNTERED THE PROBLEM OF THE UCS APPLYING LATE FOR CREDITS FROM GOES -RUN BANKS AND THEN EXPECTING THEM TO BE APPROVED WITHIN TWO LIMITED OFFICIAL USE

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WEEKS' TIME. ESCOABR SAID SUCH PRACTICES APPEARED TO BE STILL CONTINUING AND ALSO CLAIMED THAT THE UCS WAS SEEKING TO BUY NEW LAND AND ACQUIRE NEW COOPERATIVES AT A TIME WHEN IT HAD NOT CONSOLIDATED ITS HOLD ON ITS PRESENT COOPERATIVES. WHILE MAKING NO PROMISES CONCERNING THE QUESTION OF WHETHER THE GOES WOULD PERMIT AN AIFLD TECHNICIAN (RICHARD OULAHAN) TO STAY BEHIND OR THE QUESTION OF AIFLD'S BEING PERMITTED TO REOPEN AN OFFICE, ESCOABR AND CHAVEZ INDICATED THAT THERE MIGHT BE SOME FLEXIBILITY ON BOTH ISSUES ON THE PART OF THE GOES.

BEFORE DEPARTING, CHAVEZ QUOTED THE SAYING "AFTER THE NIGHT ALWAYS COMES THE DAWN" AND SAID THE SAME MIGHT OCCUR SOON WITH RESPECT TO THE RELATIONSHIP BETWEEN AIFLD AND THE GOES.

6. IN A TWO-HOUR SESSION WITH FACULTY MEMBERS OF THE CATHOLIC UNIVERSITY (UCA) DURING THE EVENING OF JULY 20, O'GRADY (ACCOMPANIED BY LABOR OFFICER) HEARD ANOTHER INTERPRETATION OF UCS AFFAIRS. THE FACULTY MEMBERS STATED THAT THE UCS, STANDING AS IT DOES FOR THE ECONOMIC AND SOCIAL BETTERMENT OF ITS MEMBERS WITHOUT OVERT PARTICIPATION IN THE POAUTICAL PROCESS, FINDS ITSELF INCREASINGLY IN A RAPIDLY SHRINKING MIDDLE GROUND BETWEEN CAMPESINOS AFFILIATED WITH THE LEFTIST (FECCAS-UTC) AND RIGHTIST (ORDEN) EXTREMES OF THE SALVADORAN POGKTICAL SPECTRUM. THE FACULTY MEMBERS CLAIMED THAT THE UCS FINDS ITSELF BEING SUBJECTED TO INCREASING PRESSURES FROM THE LEFT, WHICH ACCUSES IT OF "BLOCKING THE REVOLUATION", AND ALSO FROM THE GOES, WHICH THEY SAID IS PLANNING IN THE FUTURE TO CONCENTRATE THE RESOURCES OF GOES-RUN BANKS (LIKE FEDICREDITO AND BANCO DE FOMENTO AGROPECUARIO) IN AGRICULTURAL COOPERATIVES RUN BY ORDEN. IN AN INTERESTING ASIDE, ONE OF THE FACULTY MEMBERS STATED THAT, DESPITE GOES ALLEGATIONS ABOUT AIFLD LIMITED OFFICIAL USE

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ENGAGING IN "AGITATION" PRIOR TO ITS EXPULSION IN 1973, THE REAL REASON FOR ITS OUSTER WAS THAT THROUGH ITS WORK FOR THE UCS, IT WAS THREATENING THE ESTABLISHED ECONOMIC AND SOCIAL ORDER IN EL SALVADOR. O'GRADY STATED THAT

HE CONSIDERED HIS TALKS WITH THE UCA FACULTY MEMBERS ONE OF THE HIGHLIGHTS OF HIS TRIP AND THANKED THEM FOR THEIR RECEIVING HIM.
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